(b) whether Government have any proposal to construct more hydro-electric power plants in Assam; and

(c) if so, the steps taken in this regard?

THE MINISTER OF POWER (SHRI P.M. SAYEED): (a) As per re-assessment study carried out by the Central Electricity Authority (CEA), the identified hydro-electric potential of Assam is 680 MW. Out of this identified capacity, 4 power projects with an aggregate installed capacity of 275 MW are presently in operation. In addition, 3 small hydro projects with an aggregate capacity of 2.11 MW have been set up in Assam.

(b) and (c) Karbi Langpi (100 MW) is presently under construction in the State Sector. In addition, 8 small hydro projects (upto 25 MW Capacity) which aggregate to a capacity of 51 MW are under construction in Assam.

National Electricity Policy

1649. SHRI T.S. BAJWA: Will the Minister of POWER be pleased to state:

(a) whether Government have finalized and formulated its National Electricity Policy;

(b) if so, the details thereof with particular reference to Jammu & Kashmir; and

(c) what role has been assigned to private investors in the field of production and distribution in the policy?

THE MINISTER OF POWER (SHRI P.M. SAYEED): (a) and (b) Yes sir, the National Electricity Policy has been notified on 12th February, 2005 under the provisions of Section 3 of the Electricity Act, 2003. Salient features of the policy are enclosed as Statement. (*see* below)

The policy seeks to lay emphasis on the full development of feasible hydro potential in the country. Harnessing hydro potential speedily will also facilitate economic development of States like Jammu and Kashmir in which a large proportion of hydro power potential is located.

(c) The National Electricity Policy envisages a role for private sector alongwith that of public sector to meet the objective of "Demand to be fully met by 2012". The Policy states that to meet the objective of rapid economic growth and "power for all" including household electrification, an estimated investment of about Rs. 9,00,000 crores would be required to finance

generation, transmission, sub-transmission, distribution and rural electrification projects. It recognizes that power being most crucial infrastructure, public sector investments, both at the Central Government and State Governments, will have to be stepped up. Also, considering the magnitude of the expansion of the sector required, a sizeable part of the investments will need to be brought in from the private sector.

Under the provisions of Section 63 of the Act, Central Government has also issued the guidelines for competitive bidding for determination of tariff for procurement of power by distribution licensees. It is expected to encourage private sector participation in generation.

The Electricity Act, 2003 also provides that the Appropriate Commission may grant a licence to two or more persons for distribution of electricity through their own distribution system within the same area.

The National Electricity Policy states that Private Sector participation in distribution needs to be encouraged for achieving requisite reduction in transmission and distribution losses and improving the quality of service to the consumers.

Statement

Salient features of the National Electricity Policy

1. Aims at accelerated development of power sector, providing supply of electricity to all areas and protecting interests of consumers and other stakeholders.
2. Objectives:
   * Access to Electricity—Available for all households in next five years.
   * Availability of Power—Demand to be fully met by 2012. Energy and peaking shortages to be overcome and spinning reserve to be available.
   * Supply of Reliable and Quality Power of specified standards in an efficient manner and at reasonable rates.
   * Per capita availability of electricity to be increased to over 1000 units by 2012.
   * Minimum lifeline consumption of 1 unit/household/day as a merit good by year 2012.

* Financial Turnaround and Commercial Viability of Electricity Sector.

* Protection of consumers' interests.

3. CEA to notify first National Electricity Plan in six months with a perspective up 12th Plan period. The Plan prepared by CEA to be used by prospective generating companies, transmission utilities and transmission/distribution licensees as reference document.

4. Development of Rural Electrification distribution backbone, village electrification and household electrification to achieve the NCMP target of completing household electrification in next five years. Financial support in terms of capital subsidy to States for rural electrification. Special preference to Dalit Bastis, Tribal Areas and other weaker sections for rural electrification. REC to be nodal agency for rural electrification at Central Government level.

5. Creation of adequate generation capacity with a spinning reserve of at least 5% by 2012 with availability of installed capacity at 85%.

6. Full development of hydro potential. Provision of long tenor finance for these projects.

7. Choice of fuel for thermal generation to be based on economics of generation and supply of electricity.

8. Development of National Grid.

9. Cost of recovery of service from consumers at tariff reflecting efficient costs to ensure financial viability of the sector.

10. Provision of support to lifeline consumers (households below poverty line having consumption of 30 units per months) in terms of tariffs.

11. Availability based tariff (ABT) to be extended to State level for better grid discipline through economic signalling.

12. Special emphasis on time bound reduction of transmission and distribution losses.

13. Measures to promote competition aimed at consumer benefits.

14. Reliability and quality of power supply to be monitored by State Electricity Regulatory Commissions.

15. Exploitation of non-conventional energy sources such as small hydro, solar, biomass and wind for additional power generation capacity.

Other Features

16. Emphasis on achieving higher efficiency levels of generating plants through necessary renovation and modernization.

17. Central Government to facilitate the continued development of national grid. CTU and STU to undertake coordinated planning and development.

18. Transmission capacity to have redundancy level and margins as per international standards.

19. Adequate transitional financial support for reforming power utilities. Encouragement for private sector participation in distribution.

20. The State Regulatory Commission to put in place independent third party meter testing arrangement.

21. Support for adoption of IT system for ensuring correct billing to consumers.

22. Speedy implementation of stringent measures against theft of electricity.

23. Full emphasis on augmentation of R&D base. Mission approach for identified priorities areas.

24. Demand side management through energy conservation measures. Labels regarding energy efficiency to be displayed on appliances. Efficient agricultural pumpsets and efficient lighting technologies to be promoted. Appropriate tariff structure for managing the peak load.

25. Special attention for developing training infrastructure in the field of regulation, trading and power market.

26. For giving boost to renewable and non-conventional energy sources, a prescribed percentage of power, as specified by State Regulatory Commissions, to be purchased from such sources of energy at the earliest.

27. Necessary regulations and appointing Ombudsman for redressal of consumers' grievances to be in place in six months.